IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No. 47 of 2007

For Approval and Signature:

HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the Civil Judge?

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D.B.CORP LIMITED - Petitioner(s)
Versus
... - Respondent(s)

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Appearance :
MRS SWATI SOPARKAR for Petitioner(s) : 1,
None for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH

Date : 11/06/2007

ORAL JUDGMENT

1. Heard Ms. Swati Soparkar, learned Advocate appearing on behalf of the petitioner and Shri Harin P.Raval, learned Assistant Solicitor General of

India.

2. Present Company Petition is filed by the petitioner – D.B.Corp Limited for sanctioning the scheme of arrangement in the nature of demerger and vesting of the Internet Division of Indiainfo.Com Limited (Demergered Company) into D.B.Corp Limited (Resulting Company – petitioner) under Section 391 read with Section 394 of the Companies Act, 1956.

3. It is submitted that the de-merged Company having its registered Office in Bangalore has taken out necessary proceedings in the High Court of Karnataka. It is submitted in the petition that the De-merged Company is a closely held, unlisted public limited company. It is submitted that the object of the De-merged Company is to carry on the business of internet service providers, web hosting, net working, electronic mailing services, development of software, computing, communication etc. That the object of the petitioner Resulting Company is to carry on publishing business. It is averred in the petition that the petitioner Resulting Company with a view to further strengthen its presence in dissemination of

information, news and contents proposed to venture into online news and content business and that to achieve the said objective, the Board of Directors of the Petitioner Resulting Company identified the De-merged Company as the platform to launch its online news and content business. It is submitted that through the domain “Indiainfo.com”, the De-merged Company has its presence in the internet world. It is submitted that the petitioner Resulting Company believes that the proposed arrangement would facilitate an immediate entry to the online world by taping the existing subscriber base of the De-merged Company. According to the petitioner, the proposed transfer would benefit the shareholders and all the stake holders of the petitioner – Resulting Company. That considering the said benefits, the Board of Directors resolved to enter into an arrangement with the De-merged Company its internet business, as a going concern to the petitioner Company. The advantages that would flow by virtue of the proposed arrangement between the aforesaid two Companies are mentioned in detail in the petition.

4. It is submitted that *vide* order dated

09.02.2007 passed in Company Application No. 60 of 2007, the meeting of the Equity Shareholders of the Petitioner Company was dispensed with in view of the approval from all the Equity Shareholders put before the Court in form of the consent letters.

5. Present Petition was admitted by this Court on 23.02.2007 and listed for final hearing on 16.04.2007 and the date of final hearing was directed to be published in two local newspaper having vide circulation viz. “Indian Express” (English Daily) and “Divya Bhaskar” (Gujarati Daily) – both Ahmedabad Editions. Notice was directed to be served upon the Regional Director, Department of Company Affairs, Western Region, Mumbai and publication in the Government Gazette was dispensed with. The affidavit dated 02.04.2007 filed on behalf of the petitioner confirms the same. No one has come forward with any objections to the said petition even after the publication.

6. The petition was served upon the Central Government and Shri Harin P.Raval, learned Assistant Solicitor General of India has appeared on behalf of

the Central Government more particularly the Regional Director, Department of Company Affairs, Western Region, Mumbai. The affidavit dated 13.04.2007 affirmed by the Assistant Registrar of Companies along with the letter dated 09.04.2007 sent by the Regional Director, Western Region, Mumbai is placed on record. It is indicated in the said reply that the Regional Director has decided not to oppose the petition. Meaning thereby the Central Government has no objection if the petition is allowed and the proposed scheme of arrangement is sanctioned by the Court.

7. Having heard Ms. Swati Soparkar, learned Advocate for the petitioner – Company and Shri Harin Raval, learned Assistant Solicitor General of India appearing on behalf of the Central Government and considering the affidavit filed on behalf of the Central Government not opposing the petition and the proposed scheme of arrangement, and having gone through the petition and submission, this Court is of the opinion that the proposed scheme of demerger would be in the interest of the Company and its members and creditors. Nobody has objected to the

proposed scheme of de-merger. There is no impediment in sanctioning the proposed scheme of demerger. Under the circumstances, prayer in terms of Paragraph No. 20(a) of Company Petition No. 47 of 2007 is hereby granted and the proposed scheme of arrangement in the nature of de-merger and vesting of the Internet Division of Indiainfo.Com Limited into the petitioner Company is hereby sanctioned.

8. This petition is disposed of. So far as the cost to be paid is concerned, the same is quantified at Rs. 3500/- per petition and the same may be paid to Shri Harin P.Raval, learned Assistant Solicitor General of India by the petitioner Company.

[M.R.Shah, J.]

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